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Operation, Production and Dismantling of NO. OF PAGES SUBJECT Wells of Soviet Cil Administration (SIN) NO. OF ENCLS. 25XTLACE **ACQUIRED** 25X1 SUPPLEMENT TO DATE OF IN 25X1 REPORT NO.

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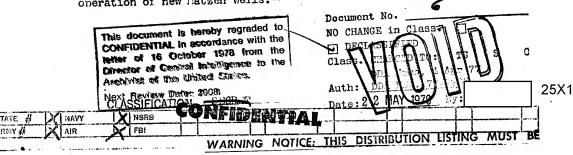
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Disposition of SMV oil fields

1. SMV Communist personnel managers, who allegedly maintain close contact with Soviet officials, believe the Soviets will retain control of Muchlberg, Matzen, DEA I and the western part of DEA II, and that ITAG, Maustrenk, Scharfeneck, Hohenruppersdorf, and the eastern part of DEA II will be returned to the Austrian economy.

New Drilling at Muchlberg and Matzen

- 2. Exploratory drillings at Muchlberg continue, and east of these fields the SIN has sunk well No. 82 about 500 meters within Rohoel A.G. territory near "Mayerhof" farm.* Production at Muchlberg averages about 1,150 tons per day. Water content of Muchlberg oil is estimated at 20 percent of this output, and an increase is anticipated because Soviet engineers have directed that 16 mm and 18 mm beams be used at almost all of the productive wells. Concrete has been inserted between oil strata at several Muchlberg wells in order to check this flooding.
- 3. SMV interest continues to be centered on the Matzen area, where large quantities of equipment, primarily from ITAG, have recently been installed. Six new derricks are operating and several pump stations with connecting pipe lines are under construction. Well No. 3 is still the only well in continuous production, and its output averages from 120 to 130 tons of oil per day. Casing pressure at this well has dropped to 65 atmospheres. Well No. 2 has been cemented, a gas lift installed, and a deep pump sunk at a depth of 2,600 meters. So far, neither the lift nor the pump has operated satisfactorily. The gas head at well No. 2 is now at a depth of 1,700 meters. It is possible that limited gas pressure at new drilling sites may prevent successful operation of new Matzen wells. **



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Current production and recent developments

4. Maustrenk well No. 17 is now being ladled; its output averages less than 1,000 liters per day. The only productive well in the Hohen-ruppersdorf fields, well No. 16, is being pumped and about 10.5 cubic meters of oil with a 75 percent water content are produced in a 24-hour period. Work on Hohenruppersdorf well No. 21 was completed about ten days ago and it is scheduled for production at a depth of 1,600 meters. So far, only negligible amounts of oil have been drawn from this well, and source believes no appreciable increase is expected. All equipment with the exception of six storage tanks has been removed from Scharfeneck. No new wells have been drilled at DEA I and oil now produced has a 16 percent water content. Daily production at DEA II averages about 270 tons of which 23 percent is water. It is estimated that 25 DEA II wells, now producing about 100 tons of oil with a 35 percent water content, will be returned to the Austrian Government when a State Treaty is concluded. Daily production at ITAG still averages about 110 tons of oil, of which 45 percent is water. Recently the Rumpel and Maustrenk drilling firms have been combined at Neusiedl under supervision of KORNIEV.***

Production figures for August 1949

5. The following figures, calculated in terms of the nearest 100 metric tons, represent the amount of oil pumped from various SMV oil fields and do not indicate actual well production.

Field	Number of Wells in Production	Total Number of Tous
Mauskirchen)	29	3,600
MAG, (Wintershall-Maustre	nk) 18	1,300
Tag (Hohenruppersdorf)	1	75
- Snarfeneck	. 0	-
Heshiberg	?	35,600
WM I (Neusledl)	?	9,900
MA 11 (Hauskirchen)	4,5	3,000
Udzon	1	3,70 0
in Mickle	?	8,400
inhood A.G.	?	15,000
T Poly	?	6,500
	Total Number Tons Oil Delivered August 1949	87,075

Dispantling at ITAG

6. Recently, large amounts of machinery and equipment have been dismantled from ITAG fields and sent to Matzen and Muchlberg.**** Since this equipment is not now being used, its removal has not affected ITAG's current production, but should ITAG expand or suddenly require spare parts, it will be confronted with serious production difficulties. Source believes the Soviets may consider ITAG fields, installations, and equipment.

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either captured enemy material or German assets, since this enterprise was established after the Anschluss. It is not known whether ITAG has soceived any compensation for this equipment. To date, a total of 18 derricks have been "officially" dismentled and sent to Hatzen and Muchlberg, though source has some doubts regarding the final destination of this equipment. Three additional derricks are being prepared for dismantling. Thirty storage tanks, each having a capacity of 30 cubic meters, have also been sent to Matzen and Muchlberg. Thirteen electric motors for oil pumps, 18 cross bar type pump arms, and 8,000 meters of three and four inch used gas pipe have been sent to Matzen and 2,000 meters of 2.5 inch used tubing to Muchlberg. Two "Trauzl" oil pumps, 6.5×12 inches and 6.25×14 inches, have been dismantled and the latter sent to Hohenruppersdorf. An entire warehouse of various types of small tools and spare parts, valued at an estimated 160,000 schillings, have been sent to the SMV Central Warehouse in Neusiedl. In addition, source telieves one "Ideco" cable windlass, one "Wielfel" cable windlass, five 60-ton pulleys equipped with hooks, two corrugated steel sheds, 26 imes 5 imes 12 meters and 18 x 8 x 8 meters, one large lathe, one shaping machine, one 25 mm mechanical drill, one mechanical metal saw, and 300 meters of 4 x 16 mm aluminum underground cable have been sent either to the Matzen or Muchlberg Mields.

7. A 3,000 cubic meter storage tank has been removed from Maustrenk and transferred to Matzen, and pipe lines, about 3,000 meters in length connecting Eaustrenk wells No. 2, 3, 4, 10, 17, and 24, are now being ripped up and will probably be sent to Matzen.****



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